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World Production and Trade

United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

Weekly
Roundup

WR 31-87

August 5, 1987

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

GRAIN AND FEED

SOVIET Small Grain and Pulse Harvest Running Late. The harvest of small grains and pulses in the Soviet Union is late this year, according to wire service reports from Moscow. As of July 27, these crops were cut on 17.6 million hectares, of which 11.4 million had been threshed. Not only are these figures low compared with last year's 32.9 million and 29.6 million, respectively, but they are significantly smaller than the 1980-85 average. During those years, an average of 29.1 million hectares was cut by late July and 22.3 million threshed. The data do not include the harvest of corn-for-grain, which the Soviets reported was planted on an unusually large area of about 6 million hectares this year. The preliminary total grain area for the 1987 harvest was reported at 117.6 million hectares.

OILSEEDS AND PRODUCTS

SPAIN'S Imports of Soybeans and Peanuts Above Last Year. The U.S. agricultural counselor in Madrid reports that Spain's imports of soybeans in the first 7 months of the 1986/87 marketing year rose 17 percent over last year; imports from the United States were up 14 percent. The increase may be due to larger-than-expected crushing to meet strong demand for soybean meal since Spanish soybean meal exports are down 47 percent. Total peanut imports are up 6 percent in the first 7 months of 1986/87, but U.S. exports are down 31 percent.

TAIWAN'S Soybean Imports Should Increase in 1986/87. Taiwan's 1986/87 marketing year imports of soybeans should be at least 1.8 million tons, according to the U.S. agricultural officer in Taipei. This exceeds the 1.6 million tons imported in 1985/86. The United States will supply virtually all Taiwan's needs except for 25,000 tons to be supplied by Uruguay (10,000 tons less than contract amount). Paraguay reportedly did not supply an agreed upon 35,000 tons. USDA figures show that in the first 8 months of 1986/87, Taiwan imported about 1.4 million tons versus 1.1 million tons during the same period last year.

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COTTON AND FIBERS

TAIWAN'S Cotton Imports Revised. Estimates of Taiwan's cotton imports for the 1986/87 and 1987/88 marketing years have been increased by the U.S. agricultural officer in Taipei. Imports for 1986/87 reached a record high of 1.9 million bales (414,000 metric tons). Imports for 1987/88 are expected to be 1.81 million bales (400,000 metric tons). Textile exports from Taiwan in the first half of 1987 increased 25 percent over the same period last year. Strong domestic currency and higher cotton price levels may cause a decline in 1987/88 cotton imports. The United States supplied over 800,000 bales to Taiwan in 1986/87, capturing over 40 percent of the import market.

COCOA

Cocoa Production Revised Downward in Nigeria. Cocoa production for 1986/87 in Nigeria has been revised to 100,000 tons, 25,000 less than previously forecast, according to the U.S. agricultural attache in Lagos. The new forecast indicates a main crop of 90,000 tons and a mid-crop of 10,000, compared to the 1985/86 revised estimate of an 80,000-ton main crop and a 20,000-ton mid-crop. Lack of rain at the onset of the 1986/87 season caused some early blossoms to die, but farmers are expected to make extra efforts to control black pod disease because of the relatively higher grower price for cocoa. The above estimates include cocoa marketed through Benin.

GHANA'S Cocoa Crop Adjusted Upward. Cocoa production in Ghana for the 1986/87 season has been revised to 226,000 tons, up slightly (1,000 tons) from the earlier forecast and 7,000 tons more than the revised 1985/86 crop of 219,000 tons, according to the U.S. agricultural attache in Lagos, Nigeria. Improved transport to the western region and increasing Ghanaian prices for cocoa were cited as reasons for increased output. Although a new strain of black pod disease reportedly caused severe damage to cocoa pods in three limited areas, it was brought under control by massive doses of fungicide.

CREDIT NOTES

P.L. 480 Actions Announced for SENEGAL and ZAMBIA. Senegal signed an agreement for 26,000 metric tons of rice valued at \$10.0 million and Zambia signed an agreement for 1,000 tons of tallow valued at \$0.4 million.

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WEEKLY EXCHANGE RATE DEVELOPMENTS

The U.S. dollar finished the week ending July 31 mixed against major currencies. Early in the week, the dollar found support in the larger-than-expected increase in the Gross National Product figure for the second quarter of 1987. This figure, in terms of final sales, showed the U.S. economy growing at an annual rate of 3.3 percent. As the week progressed and events materialized in the Persian Gulf, the dollar gained strength due to its perceived "safe" status in times of international crisis. The dollar was also supported by the Commerce Department's announcement that U.S. leading economic indicators registered an increase of 0.8 percent in June.

Currencies	Current	----Percent change from----		
	rate 7/30/87	week ago 7/23/87	month ago 7/02/87	year ago 7/86
Argentine Austral	1.9205	1.80%	10.72%	116.51%
Australian Dollar	1.4320	1.66%	3.17%	-9.59%
Brazilian Cruzado	45.9300	1.30%	5.70%	232.65%
Canadian Dollar	1.3323	.09%	.07%	-3.46%
South African Rand	2.0725	.51%	1.59%	-18.62%
Thai Baht	25.5200	.27%	-1.20%	-2.66%
ECU	0.8949	.05%	1.50%	-11.37%
British Pound	0.6270	.54%	1.45%	-5.44%
French Franc	6.1645	-.27%	1.01%	-10.87%
West Germany Mark	1.8542	-.17%	1.23%	-13.67%
Japanese Yen	149.4000	-1.05%	1.33%	-5.49%
South Korean Won	808.1000	.01%	-.44%	-8.75%
New Taiwan Dollar	30.9100	-.38%	-.38%	-18.83%

Exchange rates are spot as of 3 p.m. Eastern Time, July 30
Source: FAS Exchange Rate Database and Wall Street Journal

EXPORT ENHANCEMENT INITIATIVES

The status of USDA's Export Enhancement Program as of July 30, 1987, was as follows in metric tons:

ANNOUNCED INITIATIVES	DATE ANNOUNCED	QUANTITY/RESULTS	
71. Brazil wheat	July 30, '87	300,000	
70. Colombia wheat	July 30, '87	300,000	
69. Israel wheat	May 29, '87	200,000	
68. Bangladesh wheat	May 22, '87	100,000	COMPLETE
	July 8, '87	50,000	Sold 44,000
67. Soviet Union wheat	Apr. 30, '87	4,000,000	COMPLETE
66. Turkey rice	Apr. 3, '87	70,000	
65. Colombia barley malt	Apr. 3, '87	15,000	
64. Iraq table eggs	Feb. 20, '87	189 million	eggs
63. Canary Islands poultry	Feb. 9, '87	5,000	Sold 1,000
62. Nigeria wheat	Jan. 28, '87	500,000	

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EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

61. China wheat	Jan. 26, '87	1,000,000	COMPLETE
60. Iraq wheat	Jan. 16, '87	800,000	Sold 605,000
59. Switzerland barley or sorghum	Jan. 16, '87	250,000	Sold 9,000
58. Poland wheat	Jan. 7, '87	500,000	COMPLETE
	July 2, '87	500,000	Sold 76,000
57. Poland barley or sorghum	Dec. 31, '86	200,000	Sold 167,000
56. Romania wheat	Dec. 23, '86	250,000	
55. Iraq poultry	Dec. 22, '86	60,000	COMPLETE
54. Dominican Republic table eggs	Dec. 9, '86	25 million eggs	Sold 11.1 million eggs
53. Zanzibar wheat flour	Dec. 9, '86	20,000	Sold 6,000
52. Tunisia barley	Dec. 1, '86	150,000	
51. Gulf countries (Bahrain, Kuwait, Oman, Qatar, United Arab Emirates) dairy cattle	Oct. 30, '86	1,500 head	COMPLETE
50. West Africa (Benin, Burkina Faso, Cameroon, Cote d'Ivoire, Ghana, Gabon, Liberia, Niger, Togo) wheat	Oct. 30, '86	345,000	Sold 95,750
	June 15, '87	185,000	
49. Dominican Republic poultry	Oct. 29, '86	1,500	Sold 1,133
48. Philippines barley malt	Oct. 20, '86	60,000	Sold 25,000
47. Cameroon wheat flour	Oct. 14, '86	20,000	
46. Romania barley	Sept. 24, '86	200,000	Sold 125,000
45. Venezuela barley malt	Sept. 4, '86	100,000	
44. Cyprus barley	Aug. 26, '86	150,000	Sold 118,000
43. Canary Islands wheat	Aug. 8, '86	100,000	
42. Egypt semolina	Aug. 6, '86	30,000	Sold 23,000
41. Soviet Union wheat	Aug. 1, '86	4,000,000	EXPIRED
40. Canary Is. dairy cattle	July 28, '86	3,000 head	Sold 2,825
39. Hong Kong table eggs	July 28, '86	44 million eggs	COMPLETE
38. Senegal wheat	July 17, '86	100,000	COMPLETE
37. India vegetable oil	July 8, '86	25,000	COMPLETE
36. Jordan barley	June 17, '86	60,000	Sold 30,000
35. Israel barley	June 17, '86	200,000	Sold 177,324
34. Tunisia dairy cattle	May 29, '86	4,000 head	COMPLETE
33. Algeria dairy cattle	May 29, '86	5,000 head	COMPLETE
32. Sri Lanka wheat	May 16, '86	125,000	COMPLETE
	March 5, '87	95,000	Sold 85,000
31. Saudi Arabia barley	May 7, '86	500,000	COMPLETE
	Aug. 6, '86	250,000	COMPLETE
	Sept. 16, '86	300,000	COMPLETE
	Oct. 8, '86	200,000	COMPLETE (201,000)
	Jan. 5, '87	1,250,000	COMPLETE
	May 15, '87	500,000	COMPLETE

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EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

30. Algeria barley	Apr. 17, '86	500,000	Sold 36,000
29. Morocco dairy cattle	Apr. 16, '86	4,000 head	COMPLETE
28. Turkey dairy cattle	Apr. 16, '86	5,000 head	COMPLETE
	June 18, '86	5,000 head	
27. Egypt dairy cattle	Apr. 16, '86	6,000 head	COMPLETE
	Sept. 12, '86	10,000 head	Sold 3,411
26. Yemen poultry feed	Apr. 14, '86	150,000	Sold 111,168
25. Yugoslavia wheat	Apr. 10, '86	200,000	COMPLETE
	June 24, '86	200,000	COMPLETE
	Oct. 7, '86	500,000	Sold 213,050
24. Indonesia dairy cattle	Apr. 9, '86	7,500 head	COMPLETE
	June 18, '87	8,000 head	COMPLETE
23. Syria wheat	Apr. 8, '86	700,000	CANCELLED
22. Benin wheat (remaining 15,000 tons transferred to West Africa	Apr. 7, '86	45,000	COMPLETE
21. Algeria table eggs	Apr. 4, '86	500 million eggs	
20. Iraq dairy cattle	Apr. 4, '86	6,500 head	Sold 2,028
19. Jordan wheat	Mar. 19, '86	75,000	COMPLETE
	June 20, '86	75,000	COMPLETE
	Dec. 31, '86	225,000	COMPLETE
18. Tunisia wheat	Mar. 18, '86	300,000	COMPLETE
	Aug. 22, '86	800,000	Sold 300,000
17. Algeria wheat flour	Feb. 25, '86	100,000	
16. Algeria semolina	Feb. 11, '86	250,000	Sold 30,000
15. Philippines wheat	Jan. 7, '86	150,000	COMPLETE (152,400)
14. Zaire wheat	Dec. 27, '85	35,000	COMPLETE
	May 15, '86	45,000	COMPLETE
	Oct. 10, '86	40,000	COMPLETE
	July 16, '87	80,000	
13. Nigeria barley malt	Dec. 10, '85	100,000	Sold 55,164
12. Iraq wheat flour	Dec. 9, '85	150,000	COMPLETE
	Jan. 7, '87	175,000	Sold 75,000
11. Egypt poultry	Nov. 26, '85	8,000	COMPLETE
	Mar. 21, '86	15,000	COMPLETE
	June 18, '86	5,000	COMPLETE
	July 8, '86	15,000	COMPLETE
	Dec. 19, '86	25,000	COMPLETE
	Feb. 27, '87	6,000	
10. Zaire wheat flour	Nov. 18, '85	64,000	COMPLETE
	May 15, '86	30,000	Sold 16,000
9. Philippines wheat flour	Nov. 15, '85	100,000	Sold 50,000
8. Jordan rice	Nov. 8, '85	40,000	Sold 38,700
	Jan. 13, '87	60,000	
7. Turkey wheat	Oct. 16, '85	500,000	COMPLETE (506,600)
	May 8, '86	500,000	Sold 248,000

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EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

6. Morocco wheat	Sept. 30, '85	1,500,000	COMPLETE
	Dec. 9, '86	790,000	COMPLETE
	July 1, '87	500,000	
5. Yemen wheat	Sept. 6, '85	100,000	COMPLETE
	Jan. 26, '87	100,000	COMPLETE
4. Yemen wheat flour	Aug. 20, '85	50,000	COMPLETE
	Apr. 14, '86	100,000	COMPLETE
	May 18, '87	100,000	Sold 50,000
3. Egypt wheat	July 26, '85	500,000	COMPLETE
	Oct. 30, '85	500,000	COMPLETE
			(512,500)
	June 24, '86	500,000	COMPLETE
	July 29, '86	52,000	COMPLETE
	Oct. 8, '86	1,000,000	COMPLETE
	July 8, '87	500,000	
2. Egypt wheat flour	July 2, '85	600,000	COMPLETE
	Aug. 6, '86	600,000	
1. Algeria wheat (ex durum)	June 4, '85	1,000,000	COMPLETE
wheat (ex durum)	Apr. 10, '86	1,000,000	Sold 616,000
durum	Nov. 10, '86	300,000	COMPLETE
durum	Mar. 16, '87	300,000	COMPLETE
durum	July 24, '87	300,000	

EXPORT ENHANCEMENT PROGRAM SUMMARY

Announced as of July 30, 1987

Announced to Date 30,815,680 tons grains and products (grain equivalent)
 758 million table eggs
 140,500 tons frozen poultry
 65,500 head dairy cattle
 25,000 tons vegetable oil

Sold to Date 16,647,309 tons wheat
 1,593,196 tons flour (grain equivalent)
 3,557,324 tons barley
 72,610 tons semolina (grain equivalent)
 106,883 tons barley malt (grain equivalent)
 106,000 tons sorghum
 38,700 tons rice
 111,168 tons poultry feed
 25,000 tons vegetable oil
 130,133 tons frozen poultry
 49,264 head dairy cattle
 54,572,004 table eggs

Total Sales Value: \$2,116.9 million
 Estimated Bonus Book Value: \$1,414.7 million
 Market Value of Awards: \$1,007.6 million

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Selected International Prices

Item	:	August 4, 1987	:	Change from	:	A year
	:		:	a week ago	:	ago
ROTTERDAM PRICES 1/		\$ per MT	\$ per bu.	\$ per MT		\$ per MT
Wheat:						
Canadian No. 1 CWRS-13.5%.		134.00	3.65	-1.00		N.Q.
U.S. No. 2 DNS/NS: 14%....		128.50	3.50	+1.50		128.00
U.S. No. 2 S.R.W.		121.00	3.29	+1.00		119.00
No. 3 H.A.D.....10/		147.00	4.00	+4.00		122.50
Canadian No. 1 A: Durum11/		148.50	4.04	+2.00		N.Q.
Feed grains:						
U.S. No. 3 Yellow Corn....		88.00	2.24	-1.00		92.00
Soybeans and meal:						
U.S. No. 2 Yellow.....11/		208.15	5.66	-5.20		203.00
Brazil 47/48% Soya Pellets12/		205.00	--	-8.00		193.00
U.S. 44% Soybean Meal..13/		189.00	--	-7.00		186.00
U.S. FARM PRICES 3/						
Wheat.....		N.A.	--	--		83.77
Barley.....		N.A.	--	--		45.47
Corn.....		N.A.	--	--		74.41
Sorghum.....		N.A.	-- 2/	--		64.59
Broilers.....		1,049.17	--	+55.12		1,565.27
EC IMPORT LEVIES						
Wheat 5/.....		202.82	5.52	+0.34		165.17
Barley.....		191.90	4.18	+0.40		168.90
Corn.....		198.29	5.04	-1.13		168.56
Sorghum.....		202.07	5.13	-2.23		177.05
Broilers 4/ 6/ 8/.....		503.00	--	-5.00		409.00
EC INTERVENTION PRICES 7/ 9/						
Common wheat(feed quality)		177.22	4.82	-1.79		173.97
Bread wheat (min. quality)		186.55	5.08	-1.88		182.99
Maize.....		186.55	4.74	-1.88		182.99
Barley and all other feed grains, excluding maize.		177.22	--	-1.79		173.97
Broilers 4/ 6/.....		1,542.00	--	+1.00		1,495.00
EC EXPORT RESTITUTIONS (subsidies)						
Wheat		117.71	3.20	117.71		N.A.
Barley.....		N.A.	--	--		N.A.
Broilers 4/ 6/ 8/.....		409.00	--	-4.00		262.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ September shipment. 11/ October shipment. 12/ August/September shipment. 13/ October/December shipment. N.A.=None authorized. N.Q.=Not quoted. Note: Basis August delivery.

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